

After the FAFSA Verification & Financial Aid



Agenda

- Analyzing the Confirmation Page
- What is a Student Aid Report?
 - FAFSA Corrections & Updates
- What is Verification? How does it Work?
 - Types of Information requested
 - Tax Transcripts
 - Verification of Non-Filing & Statements of Income
- Award Letters & Types of Financial Aid
 - Student loans
 - Pell Grant
 - Federal Work- Study & Scholarships
- Resources



Help

Search FAFSA Help

Student
DemographicsSchool
SelectionDependency
StatusParent
DemographicsFinancial
InformationSign &
Submit

Confirmation

2020-2021 Confirmation Page



Your confirmation page has been sent to you at the e-mail address: test@gmail.com

[PRINT THIS PAGE](#)**Confirmation Number:** B 14500020309 01 08/02/2019 11:49:59
Data Release Number (DRN): 4440**Congratulations, FIRST!** Your FAFSA was successfully submitted to Federal Student Aid and has been processed.

What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

School(s) on your FAFSA:

School Name	Graduation Rate	Retention Rate	Transfer Rate	Additional Information from College Navigator
UNIVERSITY OF IOWA	73%	87%	21%	NA



Eligibility Information

Expected Family Contribution (EFC) = 000000

The EFC is a measure of how much you can contribute to the cost of your education. Schools use your EFC to determine your federal student aid eligibility.

The EFC is not how much aid you will receive or how much you have to pay for college.

Based on the [eligibility criteria](#), you may be eligible for the following:

[Pell Grant](#) Estimate - \$6,195.00[Direct Stafford Loan](#) Estimate - \$5,500.00

You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the American Opportunity Tax Credit (AOTC).

If you have questions, visit [Studentaid.ed.gov/fafsa/help](https://studentaid.ed.gov/fafsa/help).

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Analyzing the Confirmation Page

Estimated Family Contribution (EFC) is provided

See early **estimate** of financial aid eligibility

FAFSA Confirmation Page

- The Confirmation page is **NOT** the official Financial Aid Award Offer
 - Provides federal aid **estimates** based on the information provided on the FAFSA form
- Students will receive a financial aid offer/award letter **ONLY** from schools where the student is accepted for admission **AND** is also listed on their FAFSA
 - Students can include up to 10 schools on the FAFSA form at a time
 - To calculate the actual types of financial aid and dollar amounts a student is eligible for, the college/university will take into account other factors, such as:
 - ✓ the overall cost to attend the school
 - ✓ grade level
 - ✓ course load (full-time or less)
 - ✓ housing plans (on-campus, off-campus, w/parents)
 - ✓ GPA/Test scores for merit based aid



Admissions Application

- College Applications are separate from the FAFSA
- Students must submit a college admissions application to each school that they are interested in attending AND also list those schools on their FAFSA Application

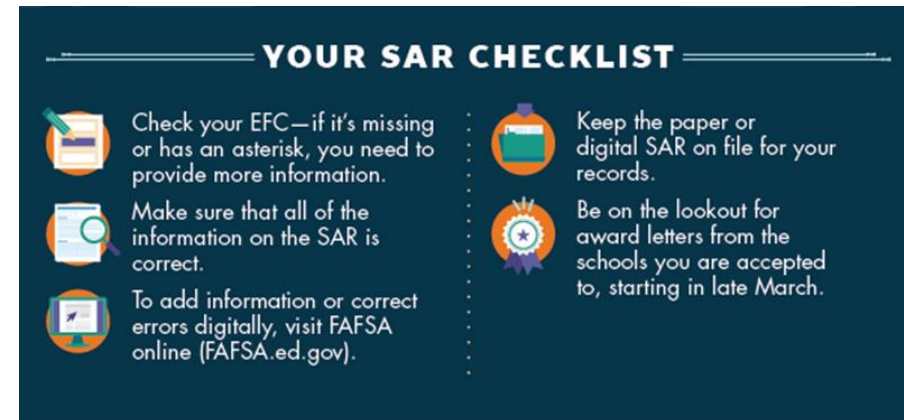
FAFSA Application



**Admissions
Application**

What is a Student Aid Report?

- A Student Aid Report (SAR) summarizes the information a student provided on the FAFSA
- Students should review their SAR and make sure all information is complete and accurate
 - ✓ If there is any missing information, then the student should complete the missing information as soon as possible
 - ✓ If there is any incorrect information, the student should contact the FA Office to determine how to correct that field. Only certain fields can be corrected by the student.
- If no changes are needed, students should keep the SAR for their records.



SAR Example:

[2020-21 SAR sample English.pdf](#)

FAFSA Corrections and Edits

Corrections

These are items students could change **IF** the information originally entered was incorrect or has changed. Students can make these corrections to the FAFSA online or via their paper SAR.

What items are students allowed to edit?

1. mailing address
2. email address
3. other contact information
4. add or remove school codes

Other FAFSA Updates

Most information on the FAFSA cannot be updated because it must be accurate as of the day the student originally signed their FAFSA form.

Students should not make changes to their income, assets or household size information online or on the paper SAR. *These changes increases the likelihood of being selected for verification.*

If the update the student wants to make is not one of the allowed items on the previous slide or if their family has other circumstances that cannot be reported on the FAFSA form, the student should speak to the financial aid office at the school they plan to attend. The school will advise the student if the office can make the correction or if the student should submit a letter of special circumstances to request the change.

FAFSA Corrections

How does a student correct an incorrect SSN?

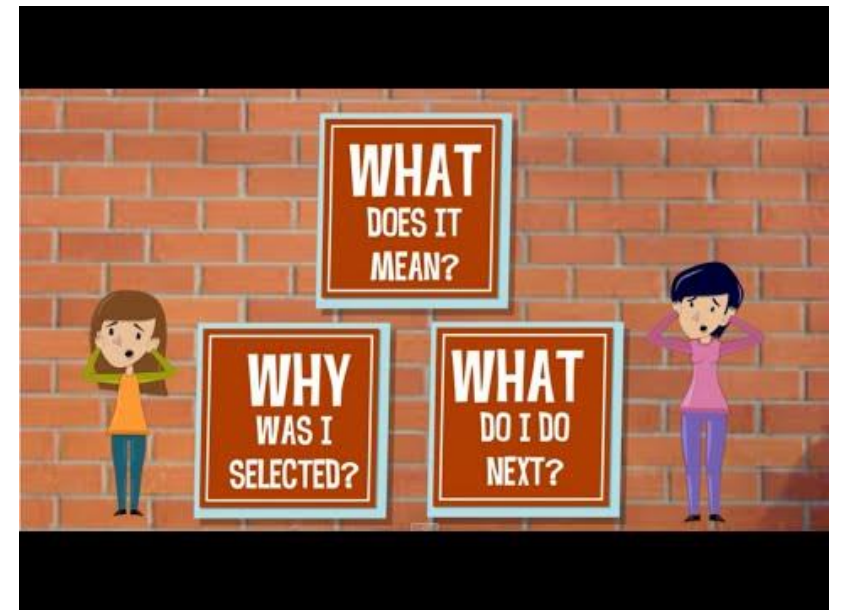
Student has 3 options:

1. Preferred Method – Create and submit a **NEW** FAFSA using the correct SSN.
2. Student can ask the financial aid office at one of the schools listed on the Student Aid Report (SAR) to change the SSN for them.
3. Least efficient method – Student can change SSN on paper SAR, sign it, and mail it to the address provided on the SAR. *This can take two to three weeks to process.*

Note: The SSN can be changed through the paper SAR **only once**.

Verification

- **Verification** is the process that colleges and universities use to confirm that the information provided on a student's Free Application for Federal Student Aid (**FAFSA**) is correct. This process requires additional documentation from the applicant.
- The Federal Government requires colleges and universities to confirm or “**verify**” the data reported by students and their parent(s) on the **FAFSA**.
- Historically, at least **30%** of FAFSA Applications are randomly selected for Verification each year
- Verification must be completed by each institution prior to a student receiving an award letter or financial aid disbursement



FAFSA Selected for Verification?

Students will be notified two ways:

1. Student will receive their Student Aid Report via email or mail from FSA and the EFC listed will have an asterisk (e.g. 0000*)
2. Upon admission, each college listed on FAFSA will notify student of verification requirements

*If the student wants to receive and compare financial aid award letters from **ANY** school, they need to complete the verification process to receive a final and accurate financial aid award.*

Verification Process

- Students should check with their College or University's Financial Aid Office regarding what documents are needed to complete verification
 - ✓ Each school will have their own verification worksheet but will ask for similar documentation and information
- Gather, Complete and Submit requested verification documents
 - ✓ Verification worksheet
 - ✓ Requested tax forms or statement of non-tax-filing
- Students should submit verification documents on time! The earlier the better!
 - ✓ Deadlines vary by college/university
- Students should follow-up with each College or University Financial Aid Office
 - ✓ Communication options: Student portal, emails, text, mail etc.
 - ✓ Confirm receipt – ask if anything else is needed



Verification

Types of Information Requested

Tax Filers

Adjusted Gross Income
U.S. Income Tax Paid
Untaxed Portions of IRA Distributions
Untaxed Portions of Pensions
IRA Deductions and Payments
Tax Exempt Interest Income
Education Tax Credits

Nontax Filers

Income Earned from Work

Tax Filers and Nontax Filers

Number of Household Members
Number in College
High School Completion Status
Applicant Identity and Statement of Educational Purpose

Household Size - Who to include?

THE STUDENT! and.....

- Parent(s)/Step-parent
- Siblings (if they will receive more than 50% support from parents in upcoming year)
 - Do not include sibling or other person in household who supports parent and student
 - Do include sibling attending college and living outside of household during school year IF parents support them
- Other relatives living in household if they will receive more than 50% support from parents
- Student's children if supported by parents (student cannot claim independent status)
- Any other person living in household IF supported by parents

Additional Verification Tips

Note: Using the IRS Data Retrieval Tool to import income information into the FAFSA will **reduce the likelihood** of being selected for verification.

Students & Parent Tax Filer options:

1. submit tax transcripts,
 2. signed copies of tax forms filed,
 3. or use the IRS Data Retrieval Tool to import income information into the FAFSA
- Institutions may require copies of amended tax returns if FAFSA had errors or tax filing status was incorrect
 - Independent students and parents who were not required to file taxes will be asked to request a Verification of Non-filing Letter from the IRS and submit a written statement of income.

How to Request a Tax Transcript



To order online:

Go to **IRS.gov** and
use the *Order
a Transcript* tool



To order by phone:

Call
1-800-908-9946
and follow the
prompts



To request a 1040,
tax return transcript by
mail or fax:

Complete Form
4506-T, the *Short
Form Request for
Individual Tax
Return Transcript*

How to Request a Verification of Non-filing Letter

- A Verification of Non-filing Letter from the IRS, dated on or after October 1 will attest that the person did not file an IRS income tax return for the prior year.
 - ✓ Dependent students are NOT required to submit a Verification of Non-filing Letter from the IRS.
- To request a Verification of Non-filing Letter from the IRS, the parent(s) or Independent student will:
 - ✓ Complete Form 4506-T and
 - ✓ Check box 7
- What if a parent does not have an SSN, ITIN or EIN to complete Form 4506-T?



What is a Statement of Income?

A **Statement of Income** is a signed statement from the parent or student that lists:

- the sources and amounts of earnings,
- other income, and
- resources that supported the individual(s) for the tax year

Who is required to submit this information?

- a) Independent students and parents of dependent students who were not required to file taxes (Verification of Non-filing Letter) but were not able to obtain the letter from the IRS after a good faith effort;

OR

- a) Individuals without a Social Security Number, an Individual Taxpayer Identification Number, or an Employer Identification Number cannot request a Verification of Non-filing from the IRS.

What is the 2019 IRS Filing Threshold?

Filing Status	Age	Gross Income
Single	Under 65	\$12,200
Single	65 or older	\$13,850
Married, Filing Jointly	Under 65 (both spouses)	\$24,400
Married, Filing Jointly	65 or older (one spouse)	\$25,700
Married, Filing Jointly	65 or older (both spouses)	\$27,000
Married, Filing Separately	Any	\$5
Head of Household	Under 65	\$18,350
Head of Household	65 or older	\$20,000
Qualifying Widow(er)	Under 65	\$24,400
Qualifying Widow(er)	65 or older	\$25,700

<https://www.irs.gov/pub/irs-pdf/p501.pdf>

Following Up With Colleges & Universities

Are there any other verification documents requested?

Has the student's EFC Changed?

Did the student receive an award letter?

Students should contact the College or University's Financial Aid Office with **ANY** verification questions they may have.

What's a Financial Aid Letter?

A Financial Aid Letter lists the total amount of financial aid offered to the student by a school.

A financial aid letter might include federal, state and college-specific financial aid programs as well as one or more types of loans. Each school will send a financial aid award letter **after** the student is accepted for admission and has listed that school on their FAFSA.

Schools have different names for these letters:

- Financial Aid Offer
- Merit Letter
- Award Letter
- Financial Aid Package



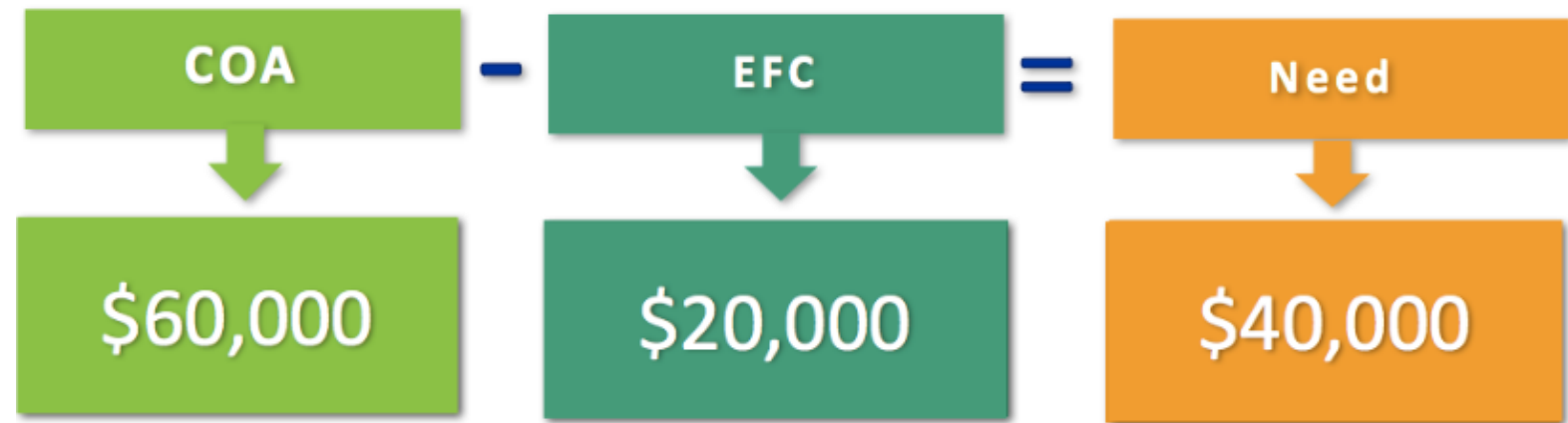
Award Letter

Factors:

- the overall cost to attend the school
- grade level
- course load (full-time or less)
- housing plans (on-campus, off-campus, w/parents)
- GPA/Test scores for merit-based aid

Calculating Financial Aid

How do the colleges determine if my student is eligible?



Your financial aid package is meant to contribute towards the difference between your EFC and your college costs.

EFC and COA

The EFC formula considers more than just income.

Additional factors considered: dependency status, family size, and the number of family members who will attend college, etc.

A college's cost of attendance (**COA**) is the total direct and indirect costs of a year of college. The COA may also be called the student budget or the sticker price.

- Tuition and Fees
- Books, Supplies and Equipment
- Room and Board
- Transportation
- Miscellaneous/Personal Expenses

Direct costs are expenses paid directly to the college, such as tuition and fees.

Award Letter Example

Dear Joe Sample:

GENERAL INFORMATION

The Office of University Financial Aid has prepared this statement using the following criteria:

Academic Level: Undergraduate Freshman
Dependency Status: Dependent
College: Undergraduate
Major/Program of Study: Non-Declared Major
Housing Category: On-Campus Housing

ESTIMATED COST OF ATTENDANCE: **\$55,000**
Tuition and fees: \$39,000
Housing and meals: \$13,000
Books and supplies: \$ 1,000
Personal and miscellaneous: \$ 2,000

AWARD

	Description	Fall	Spring	Total	Accepted Y/N
1	President's Scholarship	\$10,000.00	\$10,000.00	\$20,000.00	Y/N
	Federal Pell Grant	\$600.00	\$600.00	\$1,200.00	Y/N
	Federal Supplemental Educational Opportunity Grant (FSEOG)	\$500.00	\$500.00	\$1,000.00	Y/N
2	State Scholarship	\$450.00	\$450.00	\$900.00	Y/N
3	Federal Work-Study (FWS)	\$1,500.00	\$1,500.00	\$3,000.00	Y/N
	Federal Perkins Loan	\$1,250.00	\$1,250.00	\$2,500.00	Y/N
	Federal Stafford Loan – Subsidized	\$1,750.00	\$1,750.00	\$3,500.00	Y/N
	Federal Stafford Loan – Unsubsidized	\$1,000.00	\$1,000.00	\$2,000.00	Y/N
Total:		\$34,100.00			

Total Awards
Offered

Federal Student Loans



- Loans are money that students borrow and pay back with interest.
- Students are not required to take out the entire amount of loans offered
- **If** students choose to borrow, start with federal loans, which offer low interest rates and borrower-friendly repayment plans
- Must be enrolled in at least 6 credits (half-time) per term
- Repayment begins shortly after student graduates, withdraws from school or drops below half-time enrollment

Types of Student Loans

Subsidized Stafford Loans

- Students with demonstrated financial need
- Eligibility is determined by the FAFSA
- If borrowed, the federal government pays the interest while the student is in school
- MPN, Entrance Counseling and FAFSA required

Unsubsidized Stafford Loans

- Not awarded based on financial need
- Interest begins accruing once loan is disbursed
- MPN, Entrance Counseling and FAFSA required

Direct PLUS Loans

- Available to parents of dependent Undergraduate students
- Subject to Parent Credit Worthiness process
- If a parent borrower is denied, the student is eligible for additional Unsubsidized Loan amounts
- Parent borrowers must complete an MPN

Pell Grant

- Awarded to undergraduate students who display exceptional financial need based on FAFSA
 - Are pursuing their first Degree or Certificate
 - Fulltime or Part-time enrollment
- Amounts can change yearly
 - The maximum Federal Pell Grant award is \$6,345 for the 2020-2021 award year
 - July 1, 2020, to June 30, 2021
- While pursuing a first degree or certificate students can receive Pell for no more than 12 semesters or the equivalent (roughly six years)

Federal Work-Study (FWS)

Benefits

- ✓ Convenient
- ✓ Flexible hours
- ✓ Time management
- ✓ Networking opportunities
- ✓ May be in area of study

Students who work 5-10 hours per week on campus do better academically and have a more satisfying college experience.

- Students can gain valuable work experience while in school
 - Not all schools participate in Federal Work-Study
- Always answer “YES” to Federal work-study question on FAFSA
- Students earn money to pay for school by working part-time on-campus jobs (sometimes off-campus)
 - Need-based federal financial aid award
 - Amount determined by Financial Aid Office
- Work-study is not applied directly to tuition and fees
 - Students receive a paycheck based on actual hours worked
 - Meant to help with the day-to-day expenses

Scholarships

\$ Gift money

\$ Does not need to be repaid

\$ Offered by:

- ✓ Schools
- ✓ Employers
- ✓ Individuals
- ✓ Private Companies
- ✓ Nonprofit Organizations
- ✓ Communities
- ✓ Religious Groups
- ✓ Professional and Social Organizations

Types of Scholarships

Merit Based

- A financial award that students receive based on high school ***academic success***. Merit-based scholarships may also consider other factors such as leadership roles, ACT/SAT scores, extracurricular activities, and school or community involvement.

Athletic Achievement

- Volleyball, football, soccer, swimming, tennis, basketball etc.

Community Service

- Volunteer, Habit for Humanity, etc.

Unique Hobbies or Traits

- Left-handed, height, play an instrument, poetry, etc.

Personal Background

- First generation, graduated from a certain HS, etc.

Financial Need

- Low-income, under-represented

There are many other types of scholarships available to students!

Tip: Applying for scholarships should be **FREE!**

Never pay to apply for a scholarship.



Websites

irs.treasury.gov/freetaxprep
studentaid.ed.gov/sa/fafsa/next-steps

AZFAFSAToolkit.com

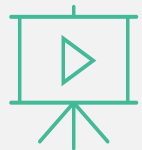
www.fastweb.com

bigfuture.collegeboard.org/scholarship-search



Handouts:

2020-21 SAR Example
Financial Aid Award Letter Sample
FSA Financial Aid Programs
IRS form 4506-T
Self Employment Tax Filing



Videos:

Types of Federal Student Aid

<https://youtu.be/Pn4OECMTh5w>

Additional Resources

Contact Information

Arizona Commission for Postsecondary Education

602.542.7230

acpe@azhighered.gov

